



Agenda Packet

Governor
Arnold Schwarzenegger

Chair
Lawrence Gottlieb

Executive Director
Brian McMahon

Wednesday
November 30, 2005
10:00 a.m. — 12:30 p.m.

Sacramento Public Library
Tsakopoulos Library Galleria
828 I Street
Sacramento, California



CALIFORNIA WORKFORCE INVESTMENT BOARD

MEETING NOTICE

**Sacramento Public Library
Tsakopoulos Library Galleria
828 I Street
Sacramento, CA**

Lawrence Gotlieb
Chairman

Christine Essel
Vice Chair

**Wednesday, November 30, 2005
10:00 a.m. – 12:30 p.m.**



Arnold Schwarzenegger
Governor

Brian McMahon
Executive Director

AGENDA

- 1. Welcome and Opening Remarks**
 - **Larry Gotlieb, Chair**
- 2. Update – Labor and Workforce Development Agency Report**
- 3. Update - Executive Director's Report**
- 4. Action – Approval of Administrative Items**
 - **July 28, 2005, State Board Meeting Summary**
 - **Procedure for Processing Workforce Investment Act Waiver Requests**
- 5. Action – Approval of Business & Industry Special Committee Report**
- 6. Action – Approval of Targeted Resources Special Committee Report**
- 7. Action – Approval of Lifelong Learning Special Committee Report**
- 8. Action – Approval of Accountability in Workforce Investments Special Committee Report**
- 9. Public Comment**
- 10. Other Business that May Come Before the Board**

Meeting conclusion time is an estimate; meeting may end earlier subject to completion of agenda items and/or approved motion to adjourn.

In order for the State Board to provide an opportunity for interested parties to speak at the public hearings, public comment may be limited. Written comments provided to the California Workforce Investment Board must be made available to the public, in compliance with the Bagley-Keene Open Meeting Act, §11125.1, with copies available in sufficient supply.

Individuals who require accommodations for their disabilities (including interpreters and alternate formats) are requested to contact the California Workforce Investment Board staff at (916) 324-3425 at least ten days prior to the meeting. TTY line: (916) 324-6523. Please visit the California Workforce Investment Board website at <http://www.calwia.org> or contact Teresa Gonzales for additional information.

Welcome and Opening Remarks

- **Larry Gotlieb, Chair**

Update – Labor and Workforce Development Agency Report

Update - Executive Director's Report

Action – Approval of Administrative Items

- **July 28, 2005 State Board Meeting Summary**
- **Procedure for Processing Workforce Investment Act Waiver Requests**

Administrative Items

Action Requested

The State Board approves the following Administrative Items: 1) the July 28, 2005 State Board Meeting Summary and 2) the WIA Waiver Request process.

Background

The purpose of this document is to outline two administrative items that require the State Board's approval.

Approval of July 28, 2005 State Board Meeting Summary

Attachment 1 contains a summary of the July 28, 2005 State Board Meeting.

Approval of the Workforce Investment Act (WIA) Waiver Process

The Workforce Investment Act (WIA) of 1998 provides general statutory and regulatory waiver authority, with some exceptions, to ensure that states and Local Workforce Investment Areas (Local Area) are allowed flexibility in implementing WIA programs. The U.S. Department of Labor encourages State and local officials to take full advantage of the waiver process to design flexible, effective State and local workforce development systems.

The State Board solicited suggestions for WIA waivers from State and local partners and stakeholders during the State Plan public planning process. The State Board's Administrative Committee assumed the responsibility for overseeing the development and submission of waiver requests and asked State Board and Employment Development Department staff to recommend a process for systematically developing waiver requests on an annual basis. The recommended waiver process attempts to standardize the solicitation, development, approval, and submission of waiver requests that will address barriers to building a demand driven workforce system.

At the October 31, Administrative Committee meeting, the members recommended moving forward with a minor correction to the process outlined in Attachment 2. Specifically they requested language be added that would not preclude individual waiver requests from being submitted and processed at any time due to unusual circumstances or emergencies. This language was added to the background of Attachment 2. The key steps contained in the waiver process include:

- Convening a workgroup of both state and local partners to deliberate waivers that are submitted on an annual basis. The workgroup would begin with those waivers identified through the two-year planning process.
- The workgroup would analyze each waiver request and make recommendations on which waivers to move forward to the Administration Committee. Those waivers the workgroup recommends moving forward would be vetted through a 30-day public comment process.
- The Administration Committee will consider all public comments and make a final recommendation on which waivers to move forward.

CALIFORNIA WORKFORCE INVESTMENT BOARD
Meeting Summary
July 28, 2005

The California Workforce Investment Board (State Board) convened at the California State Association of Counties meeting room on July 28, 2005 in Sacramento. State Board members met to discuss and take action on the revised bylaws and the State Board committee structure. Each of the four committees had their initial meetings immediately following the State Board meeting.

Members and Designees in Attendance:

Pat Ainsworth for Superintendent Jack O'Connell
Cynthia Amador
Victoria Bradshaw
Ken Burt
Mark Drummond
Chris Essel, Vice Chair
Larry Gotlieb, Chair
T. Warren Jackson
Kirk Lindsey
Sean Liu
Richard Mendlen
Kathleen Milnes
Gayle Pacheco
Tim Rainey for Art Pulaski
Deborah Sanchez for Miguel Pulido
Barry Sedlik
Rona Sherriff for Senator Wesley Chesbro
Jan Vogel for Assembly Member Jerome Horton

Welcome and Opening Remarks

Chair Larry Gotlieb called the meeting to order and introduced Brian McMahon, the new Executive Director for the State Board. Mr. Gotlieb proceeded to ask members, designees and staff to introduce themselves. Mr. Gotlieb announced that individuals wishing to provide public comment to the State Board to please sign up with staff at the reception table.

Approval of Administrative Actions

Mr. McMahon presented this action request, which entailed the following two items:

- **Approval of the May 12, 2005 Meeting Summary** - Members approved the May 12, 2005 meeting summary with a stipulated correction from Pat Ainsworth regarding his comment on the State Plan.
- **Approval of the Revised Bylaws** - Members approved the revised State Board bylaws, which included 1) recognition of designees for legislative members of the State Board and 2) discretion for the Chair to appoint additional members to the Administrative Committee.

Labor and Workforce Development Agency (Labor Agency) Update

Secretary Victoria Bradshaw updated State Board members on three major initiatives that the Labor Agency is working on. They include:

- The Nurses Education Initiative is a \$90 million dollar project funded equally by Workforce Investment Act (WIA) funds, the California Community Colleges and the Healthcare Foundation. Over 30 community colleges will be participating in increasing the capacity in the education system to graduate more students from nursing programs. A taskforce has been established to examine how this initiative can maximize the opportunities to increase the educational capacity to enroll applicants into nursing programs. Last year, of the 11,000 qualified applicants that applied for enrollment into education institutions to become registered nurses, 44% were not admitted due to lack of space.
- Within the scope of Economic Development Partnerships, a single portal of entry is being developed for businesses and individuals that are seeking support and information regarding governmental programs. Currently, employers have to obtain licensing and other services from various state and local government entities. This portal of entry allows employers to access needed information from a single source.
- The Labor Agency has become very active in the San Joaquin Partnership. This partnership has been formed to leverage assets in the San Joaquin Valley to address their various challenges and to take advantage of opportunities for economic prosperity.

Discussion:

Jan Vogel commented that the bigger problem related to the nursing issue are changes to the existing regulations so that more individuals can be trained faster. Ms. Bradshaw agreed and reiterated the need to increase faculty and clinical space. The project is examining other ways to increase the educational resources such as forgiveness of loans for individuals that agree to teach, finding alternate clinical space and creating an accelerated program. Mr. Vogel also suggested that the Economic Development Partnership look at the local level for ways that they have consolidated resources to develop single ports of entry for businesses, such as, the Business Resource Network in the Los Angeles area.

Rona Sherriff mentioned the high attrition rate for nursing students. Providing the “slots” without the support would be inefficient. Ms. Sheriff suggested providing preparatory services to maximize the success rate among nursing students. Ms. Bradshaw agreed and mentioned that they are looking at pre-apprenticeship programs to help raise the success rate.

Kirk Lindsey suggested that the Economic Development Partnership also look at the Stanislaus County Resource Center. Mr. Lindsey asked, “What specifically is the San Joaquin Partnership?” Ms. Bradshaw stated, to provide an adequate report regarding the San Joaquin Partnership, there would need to be an actual agenda item in a future meeting for this topic. She agreed to give a full report on this project at a future State Board meeting.

Gayle Pacheco suggested that an opportunity to graduate registered nurses on a fast-track would be to train immigrants that have training in the health care industry in their native

countries, but lack the certification in the United States. Ms. Pacheco stated these types of programs already exist; such as the program provided by Mt. San Antonio Community College.

Richard Mendlen mentioned San Diego College's three-day LVN program for incumbent workers that has helped individuals up the career ladder.

T. Warren Jackson asked if the statistics that were quoted by Ms. Bradshaw regarding the nursing shortages included caregivers in homes. Ms. Bradshaw responded that the numbers she quoted were those that were easily counted such as nurses in hospitals and only account for approximately 70 percent of the nursing population.

Cynthia Amador mentioned high school apprenticeship programs in the health care industry, such as those in Los Angeles. Ms. Bradshaw stated that she has met with the Superintendent of Public Instruction and the Chancellor of the Community Colleges and was impressed by the number of programs in the health field.

Tim Rainey spoke of the California Workforce Investment Board's investment of 15% monies over the years toward nursing. Are we looking at best practices to duplicate? Ms. Bradshaw commented yes, they are also looking at leveraging money so that projects are not wholly sustained by the initiative. Mr. Rainey also asked if the community colleges would be working with the local workforce investment boards to leverage funds. Ms. Bradshaw indicated yes, there are many partnerships.

Mr. Gotlieb recognized that this was a huge undertaking and that perhaps the Targeting Resources Committee could be a venue for looking at these funding sources.

Two – Year Strategic Plan (State Plan)

- **Department of Labor (DOL) Approval of Strategic Two-Year Plan** - Mr. Gotlieb announced that the State Plan was approved by DOL. He congratulated State Board and Employment Development Department staff, as well as our DOL Region 6 partners for their work on the State Plan.
- **Approval of State Board Committee Structure** – Mr. McMahon presented the approach and process for implementation of the State Plan. Four policy priorities emerged from the comprehensive public input process. These priorities form the basis for four special committees to implement the State Plan. They are Business and Industry, Targeting Resources, Lifelong Learning and Accountability in Workforce Investments.

Public Comment:

Jerry Dunn, Chair of the California Workforce Association (CWA) and the Sonoma County Workforce Investment Board thanked the State Board and its partners for the inclusive process in developing the State Plan. He also likes the Special Committee structure that has evolved.

Pam Calloway, representing Virginia Hamilton of CWA wanted to bring issues for concern from the locals regarding the use of common measures for this year's waiver process. It could have a significant impact on local areas and would like attention given to it.

Members unanimously approved the formation of the Special Committees.

In anticipation of the approval of these committees, Mr. Gotlieb announced the chairs for each of the committees and the State Board lead staff that will support them. They are as follows:

Priority 1: Special Committee on Business and Industry - Jamil Dada, Chair; Teresa Gonzales, Staff

Priority 2: Special Committee on Targeting Resources - Barry Sedlik, Chair; David Illig, Staff

Priority 3: Special Committee on Lifelong Learning - Mark Drummond, Chair; David Militzer, Staff

Priority 4: Special Committee on Accountability in Workforce Investments
Kirk Lindsey, Chair; Ray York, Staff

Vice chairs for each of the committees will be designated by the committee chair.

- **Discussion of State Board Policy Agenda**

Vice Chair Chris Essel facilitated a discussion of the themes for each of the Special Committees.

The themes for the Special Committee on Business and Industry include:

- Supporting and improving local business services.
- Identifying and incorporating high-wage, high-growth jobs into career-oriented service strategies.
- Maximizing promising practices information.
- Supporting California's small businesses.

Discussion:

Jamil Dada would like the committee to explore expanding partnerships in the workforce system and the demand for skilled and "knowledge workers" increase. He would like to encourage partnerships with the local workforce investment boards, chambers of commerce and business services.

Mr. Lindsey expressed his agreement with Mr. Dada, however, he wanted to challenge the committee to also keep in mind that high-wage jobs are not solely in the highly technological field. The economy still relies on truck drivers to transport products, and these can be high-wage occupations as well. Mr. Dada expressed his concurrence.

The themes for the Special Committee on Targeting Resources include:

- Advancing workers with barriers to employment.
- Investing resources in vital industries with statewide labor shortages.
- Continuing to improve State and local economic and labor market data.
- Targeting resources to programs, services, industries, businesses, and areas of the State that will have the most economic impact.

Discussion:

Barry Sedlik offers the opportunity for this committee to speak the same language as the employers and really focus in on the priority of aligning resources with industry needs, such as the nursing shortage. He also mentioned that shortages in the constructions trade be recognized under this priority.

Ms. Amador suggested that the Targeting Resources Special Committee explore the creation of a funding circle with partner corporations in the health care industry and philanthropic communities.

The themes for the Special Committee on Lifelong Learning include:

- Improving career technical and vocational education.
- Improving WIA Youth services, focusing on those youth most in need.
- Addressing Literacy Needs.
- Addressing apprenticeship programs.
- Addressing lifelong learning.

Discussion:

Dr. Mark Drummond stated that the topic of lifelong learning is an ideal. The big challenge in the State is on the front end training (California's educational system); we have a big problem with workplace literacy and computational literacy. We have a big problem getting people ready for their first job. The latest count is that these same people will have 7 job changes in their lifetime. However, the front end should be our focus because the front end is in disarray.

Dr. Drummond also stated that he has the experience of working in the State of Washington where it was easier to meet with all relevant parties (workforce development, economic development, education, chambers, Universities, and the Governor). However, in California it is far more complex due to the size. The population of the State of Washington is the size of Los Angeles County. Therefore, California has to be more bureaucratic. We have two options, to be compliance and regulatory oriented or enabling. We need to strike a balance of these two approaches. However, there are many correlations, or commonalities, between community colleges, K-12, workforce boards, and other efforts (e.g., the California Department of Education P16 Council and California Postsecondary Education Commission both have a focused task force).

Dr. Drummond would like to focus on alignment, rather than silos, leverage between locals (private and educators), and search out best practices. He mentioned that Riverside and San

Bernardino community colleges are model partnering efforts between the colleges and local boards.

Kathleen Milnes called attention to the California Department of Education's initiative for Career Technical Education standards in 15 industry clusters, which she is a member of the advisory board.

Mr. Lindsey shared an instance where manufacturers wanted to hire 50 youth of at least 18 years of age. The Manufacturing Council approached education and it was determined that work experience and regional occupational programs could provide candidates. However, they only got two individuals to fill 50 job opportunities. Mr. Lindsey stated that if industry is going to take this kind of chance, educational and workforce programs must seize these opportunities to build credibility by meeting these challenges, rather than providing 2 out of 50 hires.

Mr. Rainey suggested partnership programs that are industry specific, to expand on the K-12 and community college efforts.

The themes for the Special Committee on Accountability in Workforce Investments include:

- Improving State and local coordination between partner agencies and programs.
- Identifying and achieving administrative efficiencies and better service integration in California's workforce system.
- Optimizing training and the availability of training funds.
- Optimizing State- and local level capacity building and technical assistance.

Discussion:

Mr. Lindsey would like this committee structured as a partnership for accountability, with CWA, for example. The challenge at the state level is to *be a partner*. We may need to revisit the size and number of Local Workforce Investment Boards and make recommendations. The goal is to maximize the dollars in training and then be accountable for it. We need to focus on getting rid of silos and solve the huge duplication of effort that exists.

Mr. Vogel suggested focusing on improvement. Identify hindrances, look for simple solutions and provide services at the local level.

Ms. Bradshaw commented this could be the most important of the special committees. We need to collectively look at the programs and decide if they are worth the investment. The committee must decide which direction to go in and how to measure the accountability; similar to what business does and other public entities.

Mr. Ainsworth commented that California has yet to qualify for Federal Incentive Funds as the three major funding streams must meet all their performance targets. The State has not discussed how these funding streams meet their performance targets and how we can coordinate activities to this end. There could be millions of dollars to gain. The common measures draft document has not been discussed, yet this may be something we need to pursue.

Mr. Vogel suggested that the common measures may sound good on the surface, but may not be. They measure the past rather than the future.

Ms. Essel ended the discussion and thanked the chairs and State Board members for their participation.

Mr. Gotlieb asked the State Board members to consider which committee they would like to participate in.

Employment Development Department (EDD) Report

Dennis Petrie reported on the Governor's Discretionary funds that are available. The EDD in coordination with the State Board will be posting a solicitation for proposals on August 8, 2005. There is a total of \$20 million available, \$18 million from the 15 % funds and \$2 million (for Veterans only) from the 25% funds. Funding will be based on the following criteria previously adopted by the State Board.

- \$2.4 million will go toward high-growth/high-wage projects,
- \$ 8 million toward statewide need,
- \$ 7.6 million for advancing workers, and
- \$2 million from 25% funds for veterans related needs.

The solicitation process will be open to public, private non-profit and private for-profit groups. Proposals from individuals will not be accepted. Key projected dates for the process follow:

August 8, 2005	Solicitation for proposals will be posted.
September 26, 2005	All proposals are due by 3:00 p.m.
November 11, 2005	Awards will be announced
December 1, 2005	Earliest date for start of project.

Ms. Bradshaw commented that this will be a competitive process and proposals will have equal opportunity. At the same time, we would like to fund a variety of projects across the state. Mr. Petrie added that previously funded projects are eligible to apply and past performance is key.

Ms. Sherriff commented that the discretionary funds that are awarded are part of a larger pool. She asked where does the rest of the money go? Ms. Bradshaw suggested that this information could be provided at a future State Board meeting. Ms. Sherriff would also like to see updates on projects that were funded, including what happened, and how did they perform?

Mr. Petrie also reported on the Common Measures Waiver package. The package reduces the 17 existing performance measures to six, 3 common measures for adults and 3 common measures for youth. The Common Measures Package is posted on the State Board and EDD websites for commentary. The EDD is examining the feasibility of implementing the common measures by July 1, 2005. Full implementation will be required by DOL by July 1, 2006. The waiver is intended to streamline the system, improve program integration, and evaluate workforce development programs. A summary of the comments will be provided to the State Board Administrative Committee.

Ms. Amador commented on the veteran's group allocations: The money is diluted when there is no specific initiative. Only one veteran's representative is allowed on each local WIB, therefore there is no cohesiveness. We should do more to create an initiative for veterans. Ms. Bradshaw commented that there is a conscientious and concerted effort to maintain veteran funding. Joint projects will be recognized and we will see that veteran's affairs are more aligned with workforce development.

Mr. Petrie also reported on the Governor's Committee on Employment of People with Disabilities. The EDD submitted to the Governor and Legislature the annual report titled The Employment Status of Californians with Disabilities per the requirement of Assembly Bill 925. The new committee chair was chosen at the last meeting, Mr. Randy Lowe. Ms. Pacheco is the State Board representative on this committee. Mr. Petrie also reported on the status of the Disability Navigator Grant. This grant provides dedicated and highly trained local Employment Program Navigator staff in 34 of the One-Stop sites throughout California. Navigators assist persons with disabilities in moving into and through the One-Stop Employment and Training system.

Last, Mr. Petrie reported on Labor Market Information Division (LMID) activities. The Workforce Information Grant for Program Year 05-06 was approved by DOL/Employment and Training Administration for \$2.87 million. This grant will provide for the continued support for the Regional Economies Project using the LMID data. Additionally this grant will allow LMID to continue their work on the High Growth/High Wage occupations within California and numerous other special projects to better meet the workforce needs of business and job seekers throughout California.

Mr. Gotlieb announced that upon adjournment of the State Board meeting, the Special Committees will convene to discuss the logistics for the initial Special Committee Meetings. He asked the members again to select a special committee to work on. Other members of government, economic development and the public are also invited to sit in on the committee sessions in the afternoon. The Special Committees will reconvene at 12:45 p.m. The next State Board meeting will be scheduled for mid-November. Each of the committees is encouraged to meet again before that time.

The meeting adjourned at 12:30 p.m.

Proposed State Procedures for Review and Filing of WIA Waiver Requests

Background

The Workforce Investment Act (WIA) of 1998 provides general statutory and regulatory waiver authority, with some exceptions, to ensure that states and Local Workforce Investment Areas (Local Area) are allowed flexibility in implementing WIA programs. In preparation for approval by the Governor, waivers may be initiated by State agencies, Local Areas, or other interested parties. Waiver requests are prepared using specific criteria required by the U.S. Department of Labor (DOL). Further information regarding federal requirements for application for WIA waivers is available at the following website: <http://www.doleta.gov/waivers/>

Upon approval by the Governor, the State forwards the waiver requests to the DOL, which has granted waivers of statutory requirements to California on two occasions since the implementation of the WIA. While waivers can be requested and filed on an ongoing basis, the following is a general procedure for filing annual waiver requests and completing a State waiver package for consideration by the DOL. The State's preference is that all requests of waivers to be included in the annual State waiver package be submitted during the 5-month solicitation "window" described below. It should be noted, however, that this general procedure for developing and submitting a State waiver package is not intended to preclude individual waiver requests from being submitted and processed at any time due to unusual circumstances or emergencies. References to "State staff" in the following process description include State Board staff and/or Employment Development Department (EDD) staff (responsibilities yet to be determined).

Solicitation for Waiver Requests

The State will entertain waiver requests by soliciting input and suggestions from Local Areas and other interested parties on an annual basis. The solicitation will be conducted through the EDD's online distribution of information bulletins to the workforce community, posting on the California Workforce Investment Board's (State Board) website, announcements at State Board meetings conducted during this time period, conference calls with the State's Local Area Advisory Committee, and print media. The solicitation will include information required for developing a waiver request and a deadline for providing sufficient information for consideration of the waiver during that Program Year's annual request process.

Preparation and Submission of Waiver Requests

Waiver requests may be filed with the State Board using online forms (original copy with signatures sent by US mail), hard copies received by US mail, or fax copies to the State Board (original copy with signatures sent by US mail). Requests must be prepared using criteria established by the DOL. With technical assistance from State staff, requesters will be responsible for providing sufficient information that:

- (1) Identifies the statutory or regulatory requirements that are requested to be waived, and the goals that the State or Local Area, as appropriate, intends to achieve as a result of receiving the waiver;
- (2) Describes the actions that the State or Local Area, as appropriate, has undertaken to remove State or local statutory or regulatory barriers;
- (3) Describes the goals of the waiver and the expected programmatic outcomes if the request is granted; and
- (4) Describes the individuals impacted by the waiver.

Initial Review and Assessment

A State ad hoc waiver workgroup will be convened through in-person meetings or conference calls that include representatives of the workforce community and State staff. The California Workforce Association will provide suggestions for Local Area representation. The workgroup will review all waiver requests and ensure that each request contains sufficient information as required by the DOL. The workgroup will analyze each draft request, release the entire package for public comment, and forward the package of requests, public comments, and recommendations for further consideration to the State Board's Administrative Committee.

Public Comment Process

Before the Administrative Committee is provided the package and recommendations, the State will conduct a public comment process for the draft requests. The public comment process will ensure that the Administrative Committee, and ultimately the State Board and the Governor, are aware of the potential implications a waiver has for the public workforce investment system (e.g., services to workers and businesses). Announcement for public review of the State's waiver request package will be made through all means used for the initial waivers solicitation. The State will entertain comments on the proposed waivers from the general public during a 30-day comment period.

The package will be posted online for comment through the State Board and EDD websites. The document will also be available in print format and available to members of the general public through requests to the State Board or the EDD. Comments can be received through online communication or in writing to the State Board or the EDD.

Final Review and Transmittal

State staff will compile all public comments for review and consideration by the ad hoc Waivers Workgroup. The workgroup will amend waiver requests as necessary based upon public comments, and develop a description of the process by which notice and an opportunity to comment has been provided to the Local Workforce Investment Boards in the State waiver package.

If substantive opposition to the waiver request is received through public comments, the workgroup will evaluate all material submitted, prepare an analysis of any opposition to the package or to an individual waiver request, and forward the package, the public comments, the analysis, and recommendations to the Administrative Committee. The Administrative Committee, in consultation with EDD management and the Labor and Workforce Development Agency (LWDA), will select those waiver requests to be prepared in final form and forwarded to the DOL for consideration.

State staff will prepare the final waiver package for LWDA's consideration and the Governor's signature. Once approved and signed, State staff will file online requests for waivers with the DOL, with a copy to Region VI. The DOL must review and approve/deny the waiver request within 90 days of its submission.

Proposed Timeline

Activity	Duration	Estimated Timeline
Solicitation of Waivers: The State will solicit waiver requests from Local Areas through Information Bulletins to the workforce community, announcements on the State Board website and at State Board public meetings, and conference calls with the State's Local Area Advisory Committee.	Ongoing through November 2005	Beginning July 2005
Receipt and Analysis of Suggested Waivers: The State will convene an ad hoc waiver workgroup (including representatives of the workforce community and State staff). The workgroup will review all waiver requests and forward waivers it recommends for further consideration to the State Board's Administrative Committee.	One Month	December 2005
Public Comment Process: The State will entertain comments on the proposed waivers from the general public during a 30-day comment period.	One Month	January 2006
Final Review: State Board's Administrative Committee, in consultation with EDD management, will select waiver requests to be prepared and forwarded to DOL for consideration.	One Month	February 2006
Transmittal: State staff will prepare administrative requests for Labor Agency consideration and the Governor's signature. State staff will file an online request for waivers with DOL.	One Month	March 2006
Department of Labor (DOL) Decision: The State expects DOL to respond to the State within 90 days.	One to Three Months	April - June 2006

**Action – Approval of Business & Industry Special Committee
Report**

Business and Industry Special Committee Report

Action Requested

The State Board approves the Business and Industry Special Committee Report (see attachment 1). In accepting this report the State Board:

- Adopts the proposed strategic planning initiative which includes a state level vision for business services and framework for implementation.
- Approves Committee action to develop policy guidance for establishing basic business services in the One-Stops.

Background

This agenda item includes a Committee Report that summarizes the Committee's membership, focus, progress, and next steps. It also includes two attachments that provide details on the development of the Committee's two key areas of work. They include the strategic planning initiative and developing policy guidance for establishing a basic level of business services in the One-Stops.

The **strategic planning initiative** (attachment 2) includes a state level vision statement that will be shared with Local Areas to stimulate development of local vision statements and local strategic planning efforts. The local strategic planning efforts should enlist the engagement of the employer community to gain an understanding of employer needs and development of potential strategies that are responsive to the needs of their communities. Attachment 2 also outlines the extensive process that lead to the development of the State's vision statement for business services and the framework for implementation.

The proposed plan for developing **policy guidance for establishing a basic level of business services** is in response to the need for a level of consistency in the scope and nature of business services from Local Area to Local Area. Attachment 3 outlines the proposal.

Business and Industry Special Committee Report November 30, 2005

This report provides an update on the activities and results of the Business and Industry Special Committee (Committee). The report outlines the issues and strategies the Committee is pursuing, as well as recommendations and products the Committee is proposing for presentation to the full State Board for approval.

Special Committee Membership

Jamil Dada, **Chair**, Board Member
Stewart Knox, **Vice Chair**, Verdugo
Executive Director
Norris Bishton, Board Member
Charlie Brown, NORTEC Executive
Director
Jerry Butkiewicz, Board Member

Kay Ferrier, CA Community Colleges,
Chancellor's Office
Sean Liou, Board Member
Ed Munoz, Board Member
Paul Saldana, President & CEO -Tulare
County Economic Development Corp.
Warren Jackson, Board Member
Willie Washington, Board Member

Committee Description

The Committee's focus is on how the workforce system can serve business and industry better and how that can translate into improved occupational and career opportunities for future and current workers. The themes to be addressed by this Committee include:

- Supporting and improving local business services.
- Identifying and incorporating high-wage, high-growth jobs into career-oriented service strategies.
- Maximizing promising practices information.
- Supporting California's small businesses.

Partnerships

To expand the capacity of staffing the Employment Development Department (EDD) has provided dedicated staffing to support the work of the Committee. Moreover, Committee membership has resulted in immediate partnering with the California Manufacturers' and Technology Association (CMTA) and California's economic development community. The Committee is working collaboratively with the California Association of Local Economic Development on a joint survey to their members. Similarly, the Committee is working with the CMTA on a joint survey of their members.

Summary of Activities

The Committee has met twice in Sacramento since its inception on July 28, 2005. During the initial committee breakout session at the July 28, 2005 State Board meeting, the

Committee decided to begin its work by focusing on business services. The Committee directed staff to conduct an environmental scan of reports and surveys regarding business services in the California One-Stop Delivery centers. Staff examined the following information sources:

- The State Board Small Business Forums and focus group meetings with One-Stop employers services managers,
- The National Economic Development and Law Center (NEDLC) focus group regarding employer human resource needs,
- The California Workforce Association (CWA) Southern California survey on business services, and the
- State Board's WIA evaluation survey of Local Board Directors.

At the first committee meeting staff presented the common themes that were identified through the environmental scan which include:

- The need for Strategic Planning at the local level
- Inconsistent levels of business services across the state
- Maximizing partnerships to increase services to business
- Capacity Building of staff that deliver business services
- A need to develop a Business Services Marketing campaign

The Committee concluded that the environmental scan provided some opportunities to take immediate action. The Committee directed staff to develop the following:

- A policy framework that results in Local Boards developing a vision and undertaking strategic planning to enhance services that meet employer needs.
- A method to develop a level of consistency statewide for a basic level of business services.
- In the pursuit of strategic collaboration, conduct two joint surveys, one with the California Manufacturers and Technology Association and the other with the California Association for Local Economic Development.

In addition to these efforts, the Committee directed staff to begin considering an effective best practices mechanism to assist in capacity building for the workforce development community. The members also made it clear that furthering strategic partnerships and collaboration should be ongoing and always an outcome to keep in mind when Committee work is pursued.

The documents developed as background material for each of the Committee meetings can be found on the State Board website under Special Committees, Business and Industry.

Next Steps for the Special Committee

- The Committee has agreed to the establishment of a workgroup to begin discussions on developing policy guidance for establishing a basic level of business services in the One Stop. The workgroup's first meeting is tentatively scheduled for mid December.
- The next Committee meeting is tentatively scheduled for mid February to:

- Discuss the workgroup's policy recommendations related to establishing basic business services.
- Review the CALED and CMTA survey results and identify opportunities to collaborate.
- Begin discussion of high wage, high growth career oriented strategies.

Business and Industry Special Committee Business Services Strategic Planning Initiative

Background

As a follow-up to the August 24, 2005 Business and Industry Special Committee (Committee) meeting, staff were instructed to begin work on developing a strategic planning framework for business services. The purpose of developing the framework is to ensure that all 50 Local Boards in California and their communities begin the process of gaining a better understanding of the needs of their business communities and to develop effective strategies to address the needs of employers and workers. We propose to begin this process with the development of a state-level vision statement for business services.

Ultimately, this process and efforts that follow under this initiative should result in the following positive outcomes:

- Demonstrate the State Board's commitment to provide policy guidance for local communities in developing, investing and sustaining an understanding of the business service needs of California's businesses and industries and their role in the workforce development system.
- Assist Local Workforce Development Areas (Local Areas) to develop their own visions and local strategic plans for business services that should include specific goals, outcomes, and expectations for the delivery of business services in their communities.

Process

Staff obtained the Committee member's views to the questions below as part of the process in developing the proposed business services vision statement:

- What is the role of business in workforce development?
- What can, or should, business expect from the One-Stop delivery system?

Based on their collective input and deliberations, the following vision statement was developed.

"The One-Stop System, in collaboration with the economic development community, partners with California's business to provide best-in-class local services to business to support job retention and growth."

The State Board vision for business services should provide a framework to guide local areas in developing and promulgating a local business services vision that guides a local strategic planning process that will include business services in the local One-Stop service array.

Framework for Implementation

- State Board staff in collaboration with Employment Development Department staff develop local planning guidance that would:

1. Communicate the State Board's vision for delivering business services.
 2. Assist Local Boards in developing business services that address the needs of their communities and promote economic growth.
 3. Identify specific planning questions that Local Boards would be required to address through the local plan modification process. These questions are intended to elicit responses that suggest a Local Board's interaction with the business community in identifying and meeting employer business needs.
- The local vision and strategic planning process should support the Committee's work related to establishing a level of Basic Business Services that should be present throughout the One-Stop Delivery System.
 - Additionally, the Committee would direct staff to develop policy guidance that can assist Local Boards in addressing their Workforce Investment Act (WIA) mandated function of ensuring "employer linkages"¹. [WIA §117(d)(7)].

¹ WIA §117(d)(7), states the following: "The local board shall coordinate the workforce investment activities authorized under this subtitle and carried out in the local area with economic development strategies and develop other employer linkages with such activities.

**Business and Industry Special Committee
California One-Stop Delivery System
Basic Business Services Proposal**

Project Summary

As directed by the Business and Industry Special Committee, the purpose of this effort is to enhance consistency and effectiveness in business services throughout the California One-Stop Delivery system. To this end, staff will convene a workgroup of members from the One-Stop community (administrator, operators, and partners) to develop basic business service goals and accompanying implementation strategies.

In order not to diminish the ability of Local Boards to develop services according to the unique needs of their respective communities, this effort will develop goals to guide the development of basic business services.

Statement of Problem

The Business and Industry Special Committee's environmental scan revealed that business services exist throughout the One-Stop Delivery system. However, there exist inconsistencies regarding the scope and nature of business services from Local Area to Local Area. There also appears to be no common understanding of the expected levels of business services in the One-Stops that could be marketed or associated with the system. The development of basic business service goals for the One-Stops should result in the following:

- Local Boards will have specific guidelines for the development of an adequate basic level, or starting point, of services for its regional businesses and industries.
- A uniform Basic Core of Business Services throughout California's workforce development system that will provide an identity that can be marketed and associated with quality of services.

The WIA, unlike its predecessor, identifies businesses as a customer, which is a break from tradition. The environmental scan revealed the progress the system has made under this relatively new charge. This progress needs to be supported and built upon through the development of goals for basic level business services.

Project Description

The staff will convene a workgroup to develop basic business services goals and an implementation strategy. The workgroup will primarily be comprised of Local Area representatives; however, other partners and stakeholders will be included. This workgroup will ensure broad input and participation and will assist the committee to develop a recommendation for the State Board.

In preparation, staff will develop materials to establish the scope and a starting place for the workgroup's discussion. The materials will be based upon the information generated from the

State Board's initial work on One-Stop Certification. Additionally, the resources utilized for the committee's environmental scan will be resource documents for this effort.

Deliverable

This initiative will, principally, result in the following:

Basic Business Service Goals – This will provide the framework to assess local business services and guide the development of business services that are based upon the needs of local and regional business and industry.

Strategies for Implementation of System Alignment According to Goals – This strategy will consist of recommendations on how to implement basic business services in a manner that allows Local Boards to develop systems according to their vision and local needs.

Benefits

There are a number of benefits that can be derived from the development of basic business services goals for the One-Stop Center System; which include:

1. Provide a framework to assist Local Boards in the development of business services that are based upon the needs of the business community.
2. May assist in the ability to assess the effectiveness of business services.
3. Could provide the One-Stop System an identity that can be marketed to local and regional businesses and industries.
4. May strengthen the quality of business services, which may result in greater employer support and partnership to provide enhanced workforce development services.

Timeline

The following is an overview of the activities and timeline for completion of this project.

Activity	Completion Date
Convene Workgroup of representatives from the One-Stop Community (May require more than two meetings).	December 2005
Finalize workgroup recommendation for the consideration of the Committee	February 2006
The recommendation of the Special Committee is presented for the approval of the State Board.	March 2006
The Basic Business Services Goals are communicated to Local Boards	April 2006

**Action – Approval of Targeted Resources Special Committee
Report**

Targeting Resources Special Committee Report

Action Requested

The State Board approves the Targeting Resources Special Committee Report (see attachment 1). In accepting this report the State Board:

- Approves Committee action to continue development of an initiative to test innovative strategies in the area of Advancing Low Income Workers.
- Approves Committee action to continue development of an initiative to test innovative strategies in the area of the Goods Movement Industry Sector.
- Approves Committee action to continue developing policy guidance on promising strategies for collaborating and partnering across workforce and economic development, employer groups, labor unions, and education sectors.

Background

This agenda item includes a Committee Report that summarizes the Committee's membership, focus, progress, and next steps. It also includes three attachments that provide details on the development of the Committee's key areas of work. They include two initiative proposals to promote regional partnerships in specific applications and a general promising strategies policy guidance concept.

The first proposal for **local partnership initiatives** (attachments 2) promotes practical applications of collaborative strategies to support advancing low-income workers with barriers to employment. This proposal would encourage local partnerships among employer groups, labor unions, relevant education, workforce and economic development entities. These projects also would focus on employer buy in by identifying regional industry sectors with upward mobility and demand for workers.

The second proposal for **local partnership initiatives** (attachment 3) promotes practical applications of collaborative strategies to support the Goods movement industry sector. A Governor's Cabinet Goods Movement Work Group recently identified goods movement and its associated infrastructure investment needs as a critical industry sector that supports the continued strength of California's economy. This proposal would focus on the heavy construction and logistics supply chain industries within this sector where demand for workers is projected to grow rapidly.

The **promising strategies policy guidance** (attachment 4) proposal would provide ideas local and regional workforce and economic development, employer groups, labor unions and educational entities can use to encourage collaboration and partnerships to achieve better employment outcomes for workers. This policy guidance also will identify promising state level partnerships based on examples of efforts in other states to improve the effectiveness of workforce and economic development and education investments statewide. Finally, the policy guidance will provide findings about capacity building and technical assistance tools local and regional partnerships may need to support development of more collaborative systems.

Targeting Resources Special Committee Report November 30, 2005

This report provides an update on the activities and results of the Targeting Resources Special Committee (Committee). The report outlines the issues and strategies the Committee is pursuing, as well as products the Committee is proposing for presentation to the full State Board for approval.

Committee Membership

Barry Sedlik, **Chair** and Undersecretary, Business, Trade and Housing Agency
Mike Curran, **Vice-Chair**, Executive Director, North Valley Job Training Consortium (NOVA)
Richard Alarcon, Board Member
Jerry Butkiewicz, Board Member
Ada Carrillo, Acting Executive Director, Employment Training Panel
Jacqueline Debets, Economic Development Coordinator and WIB Executive Director, Humboldt County
Sean Liou, Board Member
Richard Mendlen, Board Member
Kathleen Milnes, Board Member
Dwight Nixon, Board Member
Art Pulaski, Board Member
Miguel Pulido, Board Member
Wayne Schell, President, California Association for Local Economic Development

Committee Description

The Committee's focus is on targeting workforce resources to special workforce populations, industries, businesses, workforce services, economic and labor market information, and geographical areas to have the greatest economic impact for the State. The themes to be addressed by this Committee include:

- Advancing workers with barriers to employment
- Investing resources in vital industries with statewide labor shortages
- Continuing to improve State and local economic and labor market data
- Targeting limited resources to areas where they can have the greatest economic impact.

Summary of Activities

The Committee has met twice in Sacramento since its inception on July 28, 2005. The Committee directed staff to conduct an environmental scan of funding streams available to local areas.

At the first Committee meeting staff presented the common themes that were identified through the process which include:

- Innovative financing strategies that could more effectively leverage public monies to increase training opportunities in skills that employers need,
- Strategies for low-wage workers centers around skill shortages and barriers to employment for low-income people, and
- Sector employment strategies to identify workforce needs and opportunities within a local or regional industry or cross-industry occupational group while also focusing on economic performance and competitiveness.

The Committee concluded that the environmental scan provided some opportunities to take immediate action. The Committee directed staff to develop the following:

1. A proposal for a local demonstration project to test collaborative strategies to improve employment outcomes for low-income workers,
2. A proposal for a local demonstration project to test collaborative strategies to meet employment needs in the goods movement sector,
3. A proposal to identify promising strategies local areas can use to improve the ability to achieve local and regional goals, and
4. Conduct a survey of local areas in partnership with the California Association for Local Economic Development to better understand local area resources and partnerships

In addition to these efforts, the Committee expressed a desire to begin looking at issues related to improving economic and labor market data available to local and regional areas. The Committee asked that Labor Market Information Division and Economic Strategy Panel staff be invited to join the data needs discussion at a future meeting.

At the second Committee meeting, the Committee engaged in an extensive discussion about the draft local area survey instrument and the three draft proposals described above. The Committee proposed revisions to each proposal and took action to:

- Recommend that the State Board approve continued work on the proposals.
- Forgo the funding and resource survey of One Stop Centers and Local Boards.

All documents developed as background material for each of the Committee meetings with the exception of a document distributed by the California Budget Project at the September meeting, are available on the State Board website under Special Committees, Targeting Resources.

Partnerships

The EDD identified lead staff to support the work of the Committee. The Committee also is working collaboratively with the California Association for Local Economic Development. Similarly, the Committee continues to work with other workforce and economic development entities such as: the Economic Strategy Panel and the Regional Economies Project, the Labor

Market Information Division, the Department of Rehabilitation, the Employment Development Department, the California Budget Project, and the California Research Bureau.

Next Steps for the Special Committee

The next Committee meeting is scheduled for December 13, 2005 to:

- Discuss next steps for the three draft initiative proposals,
- Establish workgroups as needed to further develop proposals, and
- Discuss further economic and labor market data issues raised at earlier meetings.

California Workforce Investment Board Proposal for Advancing Low Wage Workers

Summary of Proposal

In California, there are a significant number of long-time, mid-career low-wage workers with chronic barriers to higher paying employment. To address this problem, the California Workforce Investment Board (State Board), proposes to develop a local workforce training initiative that would support collaborative and sustainable training and work support strategies to improve the employment and earnings outcomes of chronic, mid-career low-wage workers in California, while supporting regional economic development. The initiative would produce a number of benefits by implementing collaborative strategies within the workforce and economic development system. These strategies would connect the functions and comparative advantages of each partner to target resources more effectively, while addressing the needs of chronic low-wage workers who desire to advance into higher paying jobs that improve self-sufficiency and the economy.

Statement of Problem

A recent Employment Development Department (EDD) Labor Market Information Division analysis of Census Bureau data found about 1 million minimum wage workers in California (those earning no more than \$6.75 per hour). Of these minimum wage workers, about 573,000 workers are between the ages of 25 and 54, which suggests they are not recent entrants to the labor force (not still in school or of school age). Further, of the 1 million minimum wage workers in California, about 434,000 have less than a high school diploma, and at least 226,000 are in households where all adults speak only Spanish or some other language. About 556,000 of the minimum wage workers work at least 35 hours per week. An additional 1,638,000 low-wage workers earn \$6.76 to \$8.00 per hour.

A recent California Budget Project report examines low and very low income working families in California, where low income family is defined as a family with an income less than 200 percent of the federal poverty level, which is less than \$32,200 for a family of three. The report found that almost 91 percent of low-income families with children had income from employment. Low-income workers disproportionately are Latinos (63%) and about 40 percent of the state's low-income workers lack a high school diploma or GED. The Public Policy Institute of California also examined income and poverty trends in California and found striking trends in federal Census data. Arraying incomes from lowest to highest, they found several factors that contribute to this group's unstable employment and near poverty level incomes. These factors include; an increase in female-headed households, the rising value of education in the California labor market, which places a premium on workers with college degrees, and the increasing number of new immigrants in the labor force.

While most individuals escape minimum wage jobs over time and most families escape low-income status, a significant percentage of such individuals and families continue in minimum wage or low-income status. Workers most likely to remain at the low end of the income distribution frequently experience barriers to advancement including:

- Limited literacy, numeracy, or English language skills;
- Lack of affordable housing, child care, health care, or transportation to training and work sites;
- Lack of physical assets, financial literacy or social support systems; and
- Learning disabilities or other disabilities.

Project Description

This initiative would support collaborative and sustainable, training and work support strategies to improve the employment and earnings outcomes of chronic and mid-career low-wage workers in California, while supporting regional economic development. A review of the literature suggests these strategies include efforts to support workers both in their current employment and in skill building so they can move to better paying jobs in industries or occupations with upward mobility. Generally, strategies of this kind bring together a variety of governmental and nongovernmental entities and employers to form partnerships and leverage resources to ensure low wage workers have the training and work supports needed to remain employed and to move into higher paying jobs. The more successful initiatives are data and outcome driven and use community based planning processes to identify appropriate partner resources needed to address issues associated with low wage employment. Successful initiatives also focus on industry sectors with a demand for workers and career paths that lead to upward wage and career mobility. They create incentives for employers to provide low wage employees higher wage employment opportunities after completion of training. Because these workers face significant barriers to advancement in the labor force, initiatives should include supports to address their unique needs.

Analysis of demonstration projects and lessons from experience reveal promising strategies that include:

- Partnerships between industry associations and employers, training and education entities, labor unions and employee associations, and support services entities with clear goals that address skill and personal barriers so low wage workers can move toward self sufficiency;
- Use of local workforce investment boards, workforce intermediaries, and economic development entities to link employers, employees and training and support services on an ongoing basis as workers move from job to job;
- Use of results-based community or regional planning to identify the needed mix of services;
- Organizing skill building efforts around the workplace to weave skill building into workers' schedules;
- Focus on industry sectors and occupational clusters with upward mobility that are germane to a region such as in rural or urban areas; and,
- Improved skill, wage and economic outcomes for both employees and employers.

Project Proposal

State Board Targeting Resources Committee and Staff proposes to develop a local workforce training initiative that would foster more effective collaborative, and sustainable training and work support strategies to improve the employment and earnings outcomes of chronic, mid-career low wage workers, while improving economic development in California.

With approval from the State Board, staff would form a workgroup to delineate collaborative principles and guide development of the proposal. Workgroup members might include industry and labor representatives with knowledge of low wage and low skilled worker issues; local workforce investment board representatives who have implemented similar pilot programs; relevant state agency partner staff, independent subject matter experts, and individuals from non-profit foundations that have experience with demonstration projects designed to advance low income workers. Additional supporting information could be gleaned from the federal Department of Labor High Wage/High Growth Initiative experience. State Board, EDD, and Labor and Workforce Development Agency staff would develop the actual Solicitation for Proposals.

Anticipated Outcomes

- **Policy Guidance, Technical Assistance, and Capacity Building.** The lessons learned from this initiative will inform workforce policy, technical assistance and capacity building to improve system effectiveness.
- **Collaborative Models.** This initiative would result in collaborative and partnership models that would improve the prospects of applicants to competitive proposal processes.

**California Workforce Investment Board
Demonstration Project to Promote Collaborative Strategies
To Meet Employment Needs in the Goods Movement Sector**

Summary of Proposal

The purpose of this proposal is to promote innovative collaborative workforce development strategies that use resources effectively to reduce employment shortages in the goods movement industry sector. This project will highlight collaborative approaches to bring resources together from across the workforce development and other related funding streams, and to engage employer and employee associations, and labor unions. The models chosen will address the need to increase the number of individuals with skills needed in heavy construction and in the growing logistics supply chain industry sector and will include co-investment by the industries in skill building and training. This proposal includes an evaluation component so the State Board and its partners can identify effective models and approaches to improving the supply of workers in the heavy construction industry sector and in the logistics industry sector, and capacity building and technical assistance needs to foster collaborative approaches.

Statement of Problem

The goods movement industry sector comprises the network of industries associated with moving goods into and out of California's ports – including borders with Mexico -- and cargo airports, transfer of those goods from one mode of transportation to another, and movement of those goods from port of entry to California's borders with other states and countries. Some definitions of this industry sector include associated warehousing, assembly, and breakdown and sorting of loads. The California Regional Economies Project recently published a monograph that examined the logistics supply chain (the goods movement sector overlaps the logistics supply chain), its potential for growth, and opportunities for well paying jobs. In addition to the potential for rapid growth statewide in California, Southern California currently is struggling to address congestion facing its ports, airports, rail lines, and freeways due to the volume of goods moving through the region.

During the first year of the Schwarzenegger Administration, challenges facing the goods movement sector became an area of concern regarding recovery for California's economy. Out of these early analyses of the problems, opportunities, and challenges facing the future of goods movement, the Administration developed a Goods Movement Policy, "Goods Movement in California" released in January of 2005. This policy resulted in the formation of the Goods Movement Working Group and development of a two-phase Goods Movement Action Plan. This interagency task force took a comprehensive look at goods movement as a growth industry, the infrastructure and other problems facing the sector, and began to identify its growth potential and employment needs. Phase I of the Action Plan focused on the "why" and the "what" of the economic importance of California's goods movement system and industries, the in-place infrastructure, and the extraordinary potential for growth. Phase I also identified a set of five focused work groups tasked with "defining the 'how,' 'when,' and 'who' required to synchronize and to integrate efforts to achieve relief as quickly as possible." The Phase II report, based on the findings from these workgroups is due in December.

It is clear from discussions with senior staff with the Governor's Cabinet Goods Movement Working Group that two major industry sectors will be affected by this action plan. These industry sectors are heavy construction and logistics. Heavy construction is critical to the state's ability to reduce congestion across the entire port-to-border space by improving existing, and building new transportation corridors for transporting goods across the state. Ports, rails, roads, and airports are the lifelines of this industry. Improvement projects that already are underway, as well as improvements that are needed have been identified to add capacity and reduce congestion in the state's four major "port-to-border" corridors: Los Angeles-Long Beach/Inland Empire, Bay Area, San Diego/Border, and Central Valley. Construction workers also will be needed to build and improve large complexes and warehouses that support break down and repacking of container contents, container sorting, light manufacturing and assembly, and transfer of containers from one mode of transportation to another. The Goods Movement Action Plan also highlights the need to prepare California's workforce to fill jobs within industries that have significant statewide potential for growth in a rapidly changing economy in California.

Project Description

Over the last two decades, there has been much interest in finding ways to improve partnerships and collaboration across workforce and economic development, and education programs to improve efforts to ensure that workers have the skills employers need to operate their businesses. This interest led to a number of efforts by government agencies, employer groups, labor unions, and private funders to test ideas to improve collaboration and partnerships. Many of these efforts found that targeting an industry sector facing labor shortages is an effective way to focus collaborative efforts.

Generally, these efforts bring partners to the table to reach agreement on the problems and priorities, and to identify the resources each partner can contribute to the project based on the specific industry sector's needs. Typically, these initiatives include a set of strategies that focus on initial skill training that results in the first job as well as strategies to support workers both in their current employment and in skill building so those workers can move to better paying jobs. These initiatives also attempt to intervene at several levels simultaneously in order to address both the immediate shortages and build a pipeline of workers who can move from lower paying occupations to higher paying occupations over time. Finally, many recent initiatives include use of third party labor market intermediaries as an effective way to organize the services and match employees to needed services and training, and with employers.

The specific partnerships that might arise out of this initiative would vary depending on the specific local or regional problems identified and the approach chosen for solving them. Notwithstanding the generally situation-specific nature of such initiatives, the initiatives that show most promise in the literature use data to quantify needs and use community level results-based planning processes establish goals and priorities and to bring together the partners needed to solve the problems identified. These partnerships generally include local philanthropic organizations as well as a variety of workforce and economic development entities, education providers, employer groups, and labor unions to organize the specific set of services used.

This initiative could result in a series of comprehensive local or regional projects designed to demonstrate the principles of collaboration and partnership building to address workforce and employer needs in two industry clusters critical to the continued growth of the goods movement sector. One sector is the heavy construction sector, which will be in the front line of efforts to reduce infrastructure congestion. The second sector is the logistics supply chain, which includes the workers that load and unload cargos, operate trucks and rail lines, and warehouse and other facilities where goods are assembled, sorted, and transferred from one transportation mode to another. Both the heavy construction and logistics industry sectors are attractive sectors within which to develop demonstration projects because they have many career ladders, offer good-paying jobs, and face shortages of qualified workers.

Benefits

Conducting a demonstration project that supports employment growth in the goods movement industry sector produces a number of benefits. They include:

- 1) The Goods Movement Industry Sector initiative has statewide implications.
- 2) The Goods Movement Industry is an excellent way to demonstrate how partnerships between federal, state, and local entities can make a huge economic impact in California.
- 3) This initiative offers opportunities to test several aspects of local and regional collaboration and shared investment as well as offering opportunities to test ways to advance low income workers and support employment in industries with high wage, high growth potential.
- 4) This initiative helps build the capacity of local areas to address local and regional labor market needs in more coherent and effective ways using local and regional resources available by forming productive partnerships across the workforce and economic development community – and share that learning.

Proposal to Develop Guidance for Strategies to Support Improved Local and Regional Collaboration

The purpose of this proposal is to identify and support the deployment of promising strategies to improve the ability of WIBs, coalitions of WIBs and the State Board, with their workforce and economic development, labor, and education partners, to use public and private resources more effectively to foster sustainable economic growth that supports the creation and retention of a desired job base for Californians. Because Workforce Investment Act funding is limited, it is imperative that the State identify and support development of program and system linkages at the local and regional levels to develop a more coherent system. A desired outcome for this proposal is that it results in a framework, processes, and resources to increase the capacity of State and local Workforce Investment Boards to engage local workforce and economic development, educational, business, labor, and community partners so they can form partnerships to act on opportunities that enhance the competitive advantage of their region.

In framing this proposal, the Committee made the following observations:

- Local areas already have lots of good ideas for collaborating and partnering.
- The State Board should focus on state level alliances that target efforts at the local/regional level necessary to provide leadership for cross system capacity building.
- Look to other states for emerging ideas about pursuing state level cross system partnerships, and cross agency investments in the One Stops.
- Collaboration is a process for solving problems and achieving goals -- not the goal, itself.
- Obstacles to greater collaboration include funding reductions, over-extended staff, lack of shared knowledge about opportunities for collaboration, and limited new resources for joint planning.
- Initiatives should focus on industry sectors and industry clusters of opportunity regionally because such a focus allows for development of pipelines into employment for new entrants and opportunities for upward wage mobility and opportunities for movement to economic self-sufficiency for workers.
- Local economies and industry sectors generally span areas larger than One Stop and LWIA geopolitical boundaries, and are affected by local, regional, statewide, and national influences.
- Industry clusters and shifting local alliances affect regional boundaries; consequently, strategies to support local/regional economies need to be dynamic and adaptive.
- There must be a wise balance between supporting “home grown,” organic initiatives and challenging partners to think more expansively.

Principles for the selection of promising strategy could include:

- Support data-driven decision processes that identify problems and establish outcomes.
- Attract multiple investors and multiple contributors with a focus on management-labor-government partnerships targeted to critical regional industry sectors and industry clusters of opportunity.
- The role of the state is to target strategies to attain high growth, high wage, and employment sustainability goals; improve understanding of skill and training needs of targeted populations; and create incentives to form regional collaborative and partnership activity.
- Ensure collective ownership of the process and the outcomes.
- Commit to both analysis and action.
- Use a broad definition of Return on Investment (or Return to Community) that includes: Workforce Development, Economic Development and Community Development.

A recent example of a promising practice that meets these criteria is a recent State initiative that created a joint funding venture with San Francisco bay area foundations (The Bay Area Funding Collaborative). This initiative attempted to foster strategic and collective approaches to fund innovative efforts in the allied health occupations. This regional industry sector initiative stretches beyond the sphere of influence of any given bay area LWIB. It made new resources available going beyond the inherent limitations of WIA funding, fostered “out of the box” thinking, and encouraged experimentation. Finally, it created a learning community for the grant recipients so recipients can develop the ability to nurture information sharing, problem solving, and evaluation.

Another example of a promising practice is the development of “High-Road” partnerships -- industry sector-focused labor-management-government training initiatives that capitalize on the shared interest for a skilled, stable, and productive workforce. High-road partnerships shift the primary market incentive to increasing productivity and quality through a long-term commitment and investment in the industry, the workforce, and the community. These projects increase training capacity targeted to industry needs, unusually have career ladders built in, create access to training for low skilled workers, involve jobs that have relatively high wages and benefits, and maintain the competitiveness of union employers. Such partnerships exist or are under development in California and many other states.

Notable examples of this high-road partnership include the healthcare partnership that has jointly developed healthcare career ladder training with the community colleges and Local Boards across the state; the coordinated work of the maritime industry with unions representing maritime workers to address a critical workforce shortage in the industry; the hospitality industry partnership with upscale convention hotels in the cities of San Francisco, Los Angeles, San Diego and San Jose; and the partnership in the biotech industry to move displaced airport workers into biotech manufacturing.

Overview of Proposed Actions

- Develop policy guidance on promising strategies for collaborating and partnering across the workforce and economic development, employer and employee groups, and educational systems at the state, regional, and local level to further employer, employee, and community well being.
- Develop an understanding of capacity building needs and opportunities to foster more effective partnerships and collaborations, and generate appropriate investment resources.
- Identify options to increase funding from the various One-Stop partners that is targeted to supporting the One-Stop infrastructure and service delivery.

Action – Approval of Lifelong Learning Special Committee Report

Lifelong Learning Special Committee Report

Action Requested

The State Board approves the Lifelong Learning Special Committee Report (see attachment 1). In accepting this report the State Board:

- Adopts the proposed vision statement for lifelong learning as a first step in providing guidance to Local Workforce Investment Boards (Local Board) and local education, training, and economic development partners in promoting and improving access to lifelong learning for both youth and adults.
- Approves the Committee assuming a prominent and active role in California's Youth Vision Team as an effective collaboration with federal, State, and local partners in addressing the U.S. Department of Labor's (DOL) new youth vision and addressing a variety of issues with Workforce Investment Act (WIA) youth programs in California.
- Approves the Committee's proposed collaboration with the Secretary of Education, the California Community Colleges Chancellor's Office (CCCCO), and the California Department of Education (CDE) on initiatives to improve career technical and vocational education.

Background

This agenda item includes a Committee report that summarizes the Committee's membership, focus, progress, and next steps. The report also includes some discussion of the Committee's three current, key areas of work: addressing lifelong learning, improving WIA Youth services, and improving career technical and vocational education.

At its November 9, 2005 meeting, the Committee approved the following vision statement:

The vision for lifelong learning, in the context of workforce development, is to enable current and future workers to continually acquire the knowledge, skills, and abilities required to be successful in the workplace.

The vision for lifelong learning in California's workforce system is a critical step for the State in assisting Local Boards in improving the promotion of and access to lifelong learning for all Californians. The vision will be shared with Local Boards as an element

of policy guidance, through local planning guidelines, that will assist Local Boards in cooperatively planning lifelong learning services with their education partners.

The new DOL Youth Vision would fundamentally shift which 14- to 21-year-old youth are served, and how they are served through the local workforce systems. The Youth Vision also connects to at-risk older youth and young adults in meaningful ways, such as the recognition of and partnership with alternative education entities within the State. Addressing the challenges contained within the new Youth Vision will result in considering a significant number of issues that currently exist with the WIA Youth programs.

The Committee's overall goal of collaborating to improve education at all levels, as well as its theme of improving career and technical education, can be realized by participation in a number of current and emerging initiatives. The Committee is well-positioned to collaborate with the Secretary of Education, the CCCCO, the CDE, the Labor and Workforce Development Agency, and other State and local partners involved in these various initiatives.

Lifelong Learning Special Committee Report November 30, 2005

This report provides an update on the activities and results of the Lifelong Learning Special Committee (Committee). The report outlines the issues and strategies the Committee is pursuing, as well as recommendations and products the Committee is proposing for presentation to the full State Board for approval.

Special Committee Membership

Mark Drummond, **Chair**, Board Member
David Rattray, **Vice Chair**, President,
UNITE LA, Vice President, LA Area
Chamber of Commerce
Pat Ainsworth, Board Member
Bob Balgenorth, Board Member
Ken Burt, Board Member
Victor Franco, Board Member

Kathy Kossick, LWIA Representative
Gayle Pacheco, Board Member
Frank Quintero III, Board Member
Rona Sherriff (for Wesley Chesbro),
designee for Board Member
Fred Slone, LWIA Representative
Joseph Werner, LWIA Representative
Alan Bersin, Secretary of Education

Committee Description

The Committee's focus is on collaborating to improve California's educational system at all levels by providing current and future workers with lifelong learning opportunities that are aligned with the new and changing economy. The major themes to be addressed by this Committee include:

- Improving career technical and vocational education.
- Improving Workforce Investment Act (WIA) Youth services, focusing on those youth most in need.
- Addressing literacy needs.
- Addressing apprenticeship programs.
- Addressing lifelong learning.

Partnerships

To expand staff resources for the Committee, lead staff from the Employment Development Department (EDD), the California Department of Education (CDE), and the California Community Colleges Chancellor's Office (CCCCO) have been invited to support the work of the Committee. Additionally, the Committee has established collaborative relationships with the U.S. Department of Labor (DOL), the office of the California Secretary of Education, the Department of Corrections, and others, at both the State and local levels, concerned with lifelong learning.

Summary of Activities

Since its formation, the Committee has met twice. The Chair identified four objectives for the Committee in addressing its themes:

1. Alignment of education and workforce programs;
2. Leveraging of resources and expertise;
3. Increasing efficiency of efforts in terms of successful outcomes for resources spent;
4. Building on preferred or promising practices.

At its first meeting, the Committee adopted a preliminary workplan with two short-term goals:

- Develop policy guidance to support lifelong learning for both youth and adults.
- Develop recommendations for how the State Board can address the needs of WIA-eligible youth, with particular emphasis on addressing the new DOL youth vision.

The Committee reviewed information related to the importance and need for effective lifelong learning as a critical workforce development strategy for both youth and adults. Information on the breadth and scope of funding for workforce development programs in California, the large number of youth who are not successfully completing high school, adults who are not functionally literate in English, and the importance of continually focusing on lifelong learning issues with both youth and adults in California's locally-driven workforce development system were also presented and discussed.

At its second meeting, the Committee considered and approved a draft *vision statement* for lifelong learning:

The vision for lifelong learning, in the context of workforce development, is to enable current and future workers to continually acquire the knowledge, skills, and abilities required to be successful in the workplace.

The vision statement is a critical step towards developing and disseminating policy guidance to both the One-Stop Career Centers and other local education and training partners. The vision statement will also provide the framework to assess local promotion of and access to lifelong learning through the One-Stop Career Centers, and will assist the State Board in providing guidance for Local Workforce Investment Boards (Local Board) to develop lifelong learning partnerships and services that are based on the needs of local and regional business and industry. This guidance will take the form of local planning guidelines, as the Committee recognized that Local Workforce Investment Plans are the best vehicles for articulating these partnerships and services. The Committee directed staff to:

- Form a workgroup, that includes significant local representation, to explore the development of lifelong learning policy guidance; and
- Develop local planning guidelines for Local Boards to develop their own visions for lifelong learning and improving workforce and education partnerships as critical elements of their Local Workforce Investment plans.

The Committee also heard presentations on WIA Youth programs, the new DOL Youth Vision, and a California team, currently named the Youth Vision Team, that has been formed cooperatively with the DOL, the State Board, the EDD, and other State-level partners to work with locals in implementing the Youth Vision. The Committee believes that this team, which already has staff representation from the State Board, is the ideal vehicle for addressing issues specific to WIA-eligible youth, Youth programs, and Local Youth Councils. As such, the Committee will take a more prominent role on this team, on behalf of the State Board.

The four major areas of the new federal youth vision are:

- Focusing on Alternative Education;
- Meeting the demands of business, especially in high-growth industries and occupations;
- Focusing on the neediest youth; and
- Focusing on improved performance.

The Committee discussed alternative education and the fact that it is under the purview of the CDE, which stressed that alternative schools consist of community schools, independent schools, early colleges, middle colleges, and high schools, and that there are 761 of them throughout California. Pat Ainsworth, the CDE's representative on the Committee, attended the DOL conference at which California's Youth Vision Team was formed, and he is committed to participating in efforts for California's workforce system to work more closely with alternative education.

The Committee also discussed the purpose and implementation of Senate Bill (SB) 70 (Scott), recently signed into law by the Governor. The bill provides the California Community Colleges with a one-time fund of \$20 million to initiate a major overhaul of the State's system of career and technical education. The initiative will strengthen California's workforce development efforts by linking the State's investment in economic development with its investment in public instruction and other significant public investments.

Reform components will benefit middle schools and junior high schools, high schools, and colleges. All projects will be designed to build systems that span across grades 7-14. As a first step, 24 "Quick Start" projects will be implemented and will be built around the components of the high-skill, high-wage, high-demand industries reflected in both California's Strategic Two-Year Plan for the WIA and the California Community College economic development initiatives. Successful implementation of the initiative is predicated on a close working relationship between the offices of the Chancellor, the Superintendent of Public Instruction, and the State Board.

The Committee recognizes that there are ongoing discussions at the Agency level, some which include preliminary plans for additional initiatives aimed at improving career technical education in California. The Committee's discussion emphasized the importance of exploring other initiatives that may provide strategic opportunities for expanding SB 70's scope and depth, including the potential for increasing alignment of existing resources as well as potentially leveraging new resources. The Committee also discussed the importance of understanding the most effective local strategies in developing career pathways for youth. It was agreed that the Committee will work closely with the Secretary of Education, the

CCCCO, the CDE, the Labor and Workforce Development Agency, and others on such strategic opportunities.

A variety of documents developed for Committee discussion and deliberation can be found on the State Board website under Special Committees, Lifelong Learning, located under each of the meeting dates and document titles.

Next Steps for the Special Committee

- The Committee will collaborate with the Secretary of Education, the CCCCCO, and the CDE on initiatives to improve career technical education.
- Staff will establish a workgroup to develop policy guidance on lifelong learning as it relates to workforce development, including but not limited to incorporating guidance into local planning guidelines.
- The Committee will actively participate on the Youth Vision Team in a collaborative effort to address the DOL Youth Vision as well as concomitant issues with WIA Youth programs in California.
- The Committee will connect with other initiatives currently being considered through other State Board committees that include, but are not limited to, literacy, apprenticeships, low-wage workers, and employer-based learning.

**Action – Approval of Accountability in Workforce Investments
Special Committee Report**

Accountability in Workforce Investments Special Committee Report

Action Requested

The State Board approves the Accountability in Workforce Investments Special Committee Report (see attachment 1). In accepting this report the State Board:

- Adopts Committee action to proceed with the Joint CWIB/CDE Proposal to Conduct a Survey Concerning the Role of Adult Education within the One-Stop Career System.
- Approves Committee action to proceed with the Joint CWIB/EDD/CWA Joint Proposal to Conduct a Cost Study of the One-Stop Career System.

Background

This agenda item includes a Committee Report that summarizes the Committee's membership, focus, progress, and next steps. It also highlights key areas of the Committee's work.

In November 2003, the California Department of Education, Adult Education conducted a survey of adult education local providers. A segment of the survey focused on examining the extent of participation by adult education providers in the One-Stop System. Respondents identified a number of common problems as barriers to partnership between the One-Stop Career Centers and adult education providers.

The **Joint CWIB/CDE Proposal to Conduct a Survey Concerning the Role of Adult Education within the One-Stop Career System** is meant as a follow-up and enhancement to the 2003 survey, with more focus on local adult education providers and their involvement in the One-Stop Career Center System. The proposed survey will also obtain the perspectives of One-Stop Career Centers. The survey will be sent both to local adult education providers and One-Stop Operators and will identify existing partnerships, how the partnerships work, and the benefits derived for both local One-Stops and adult education providers. The Committee has directed State Board staff to distribute the survey in December and produce a final report by February-March 2006.

The **Cost Study Proposal** will examine the direct and indirect costs associated with levels of services, delivery of services, and outcomes achieved within the One-Stop Career Centers. The study will provide an in-depth examination of the extent to which federal, State, and local resources within the One Stop system promote integration, accountability, effectiveness, and efficiency in the workforce system. The study should provide objective information on the administrative, infrastructure, and core services costs within the statewide system.

This project is intended to advance understanding among local, State, and federal partners concerning the numbers of individuals receiving different levels of service, the costs of delivering those services, and the outcomes achieved by individuals who receive varying levels of service within the One-Stop Career Center System. See attachment 2 for details of the cost study proposal.

**Accountability and Workforce Investments
Special Committee Report
November 30, 2005**

This report provides an update on the activities and results of the Accountability and Workforce Investments Special Committee (Committee). The report outlines the issues and strategies the Committee is pursuing, as well as products the Committee is proposing for presentation to the full State Board for approval.

Special Committee Membership

Kirk Lindsey, **Chair**, Board Member
Jerald Dunn, **Vice Chair**, CWA Chair
Cynthia Amador, Board Member
James Crettol, Board Member
John Hooper, California Chamber of
Commerce

Charles Lundberg, Employment Training
Panel
Gayle Pacheco, Board Member
James Shelby, Board Member
Audrey Taylor, Board Member
Jan Vogel, Board Member

Committee Description

This Committee is charged with exploring and resolving issues under the following themes:

- Improving State and local coordination between partner agencies and programs.
- Identifying and achieving administrative efficiencies and better service integration in California's workforce system.
- Optimizing training and availability of funds.

Partnerships

The EDD identified lead staff to support the work of the Committee. The Committee is also working collaboratively with the California Chamber of Commerce; the Employment Training Panel; California Department of Education, Adult Education; California Department of Rehabilitation; and the California Workforce Association. Using the expertise of the CWIB members, we have board members representing small business, community based organizations, local workforce investment areas, economic development interests, and universal access issues.

Summary of Activities

The Committee has met three times in Sacramento since it's inception on July 28, 2005. At that meeting, staff was directed to develop a proposed work plan encompassing the major theme of this workgroup, Optimizing Training and the Availability of Training Funds. At the August 23, 2005 meeting, the Committee decided to move forward with the California Workforce Investment Board/California Department of Education (CWIB/CDE) Adult Education and One-Stop Career System Partnership study. Staff was directed to gather data

related to Adult Education and the One-Stop Career System partnerships and report back to the Committee at the next meeting. The Committee also authorized staff to begin the development of a CWIB/EDD Cost Study on the One Stop Career System.

The second meeting of this Committee was held in Sacramento on September 27, 2005. Staff presented two proposal documents to the Committee:

1. The joint CWIB/CDE Proposal to Conduct a Study Concerning the Role of Adult Education within the One-Stop Career System; and
2. The joint CWIB/Employment Development Department (EDD) Proposal to Conduct a Cost Study of the One-Stop Career System.

The Committee acted on these two documents and authorized staff to proceed with the development of the Adult Education and One-Stop System survey questionnaire. Simultaneously, staff was also directed to fully develop the CWIB/EDD Cost Study of the One-Stop Career System that will include an enhanced description of the study design, project timeline, and a detailed budget.

The third meeting of this Committee was held in Sacramento on November 10, 2005. Staff presented the CDE Adult survey questions for final review and a detailed cost study proposal:

The Committee acted on these two documents and authorized staff to proceed with distributing the Adult Education and One-Stop System survey questionnaire pending approval of the State Board. Additionally, the Committee approved the final Cost Study of the One-Stop Career System which will be presented to the State Board for approval on November 30, 2005.

The documents developed as background material for each of the Committee meetings can be found on the CWIB website under Special Committees, Accountability in Workforce Investment Committee, located under each of the meeting dates and document titles.

Next Steps for the Special Committee

The Committee will:

- Distribute the Adult Education and One-Stop System Partnership survey and provide the full State Board with a report identifying the existing partnerships, strengths/weaknesses of the existing partnerships, and recommendations for improvement in the partnerships.
- Begin to identify and develop scope of work for consultant for the CWIB/EDD Cost Study of the One Stop Career System. Additionally, start the process of establishing a steering committee comprised of State-level agencies who are partners in the local One-Stop Career Center System.

Proposal by the California Workforce Investment Board Accountability Committee for a Cost Study of the One-Stop Career System

Summary of Proposal

This paper describes a proposed joint study by the California Workforce Investment (State Board), the Employment Development Department (EDD), and the California Workforce Association (CWA) to examine the administrative, infrastructure, and direct services costs incurred by partner agencies in the local One-Stop Career Center systems, and the system outputs those costs support. The study would look into the direct and indirect costs associated with levels of services, delivery of services, and outcomes achieved within the One-Stop Career Centers. The study will provide an in-depth examination of the extent to which federal, State, and local resources promote integration, accountability, effectiveness, and efficiency in the workforce system.

Statement of Problem

The One-Stop Career Center System in California is a complex system comprised of different federal, State, and local funding streams, program requirements, and service delivery methods. These complexities have resulted in a system that is viewed by some as less effective or efficient than federal and State policymakers would have hoped. In concept, the partners in the One-Stop System are supposed to function as an integrated umbrella enterprise with common goals and outputs. A Memorandum of Understanding (MOU) is supposed to specify the services to be provided, who will provide those services, and how the operations of the One-Stop System will be financed. The reality is that there is inconsistent integration of services and no centralized accounting process within the System that effectively controls or accounts for all resources utilized to produce the System's outputs.

As a result, the One-Stop System appears to some of its customers and outside observers as a fragmented and inefficient business enterprise. The absence of good information on the service mix, costs and outputs of the System has created unanswered questions about duplication and waste, quality of service, and the future direction of the System, given the limited amount of available resources.

To date, there has been no in-depth study of the One-Stop Career System that has examined the numbers of individuals receiving different levels of service, the costs of delivering those services, and the outcomes achieved by individuals who receive varying levels of service. By collecting these data, the State and local policymakers would obtain a better, more comprehensive understanding of how the partners utilize resources within the workforce system to deliver services.

Project Description

The proposed project would study the costs incurred by One-Stop partner agencies in delivering workforce services to individuals who use the One-Stop Career Centers, including services delivered in the One-Stops and services outside of the One-Stops to which the system provides access. This project is intended to advance understanding among local, State, and federal partners concerning the numbers of individuals receiving different levels of service, the costs of delivering those services, and the outcomes achieved by individuals who receive varying levels of service within the One-Stop Career Center System.

The State Board, the EDD and the CWA propose to conduct this project through surveys, analyses of administrative records, and in-depth, focused examinations of services and costs in selected Local Workforce Investment Areas (Local Areas) and at the State level.

The study will be based on the following principles:

- The results should enable the system's partners to tell an accurate story of the workforce system's costs, achievements, and returns on investment.
- The analysis should match costs, services, and outcomes.
- The analysis should be system-wide, not focused on funding silos.
- All partners' contributions should be considered.
- Data collection should be designed to minimize burden and maximize the potential for project success.
- Existing data should be used whenever possible to lessen the data collection burden on participating entities.
- Categories used for data collection should be clearly defined, easily understood, and reasonably easy to report.
- Focus sites should be used to develop more detailed interpretive data.
- The data collected and analysis performed should support valid conclusions.

Study Design

The proposed study will be comprised of five components:

1. A survey of 10 to 20 Local Workforce Investment Areas (LWIAs) which collect identifying information from all individuals who receive services through the One-Stop System. These sites will reflect the economic, geographic, and socio-demographic

diversity of California. This survey will collect data from all One-Stop partners on personnel and non-personnel costs arrayed across four tiers of service:

- Tier 1—Self-directed services: these are services the individual can access with little or no assistance from staff.
 - Tier 2—Staff-assisted services: staff provides these one-on-one services to meet the specific needs of the individual.
 - Tier 3—Training and supportive services: these represent the direct and indirect costs of training and direct support payments that enable the individual to be employed or participate in training.
 - Tier 4—Employer services: these costs reflect assistance provided to specific employers to address their human resource needs.
2. A line-item categorization of state-level expenses, incurred at the headquarters level, which support One-Stop operations.
 3. An in-depth study of One-Stop costs and outputs in 2 to 4 additional LWIAs. These LWIAs will serve as the study's focus sites. These case studies will generate:
 - a. Cost categorized by natural classification (budget line item) of cost.
 - b. Cost categorized by function (also referred to as activities).
 - c. Relationship between the cost of each function and its production or output specific to each funding source in the focus LWIAs.
 - d. Measurement of the benefits received by each partner resulting from their participation in the One-Stops.

These focus sites will provide an in-depth look at how resources are integrated to support the workforce delivery system.

4. An analysis of the outcomes achieved by individuals served in the One-Stops, segregated by level of service received. This component will provide information that supports an assessment of the value of self-service access in the One-Stops. This analysis will begin to explore measurement of the return on investment associated with differing levels of service.
5. An overall assessment of the cost structure of the LWIAs studied. This final step will discuss the lessons learned from the study sites (survey and focus), and how those lessons may relate to the rest of the workforce system.

Project Costs

The estimated cost to conduct the study will reflect expenses for the following types of activities: project management, oversight and review, survey design, data collection, interviewing, travel, analysis, and reporting. These costs will be borne through in-kind contributions of the State partners, through State WIA procurement of consultant services, and through WIA reimbursement of limited local expenses for participation in study efforts. Initial research based on reviewing past contracts and discussions with subject experts in the area of cost allocation and program evaluation suggests that consultant costs will amount to approximately \$150-\$200 thousand dollars. It is recommended that the State consider making resources available for reimbursement of local agency study expenses in order to maximize participation.

Roles of the Consultant and State Staff

State staff will facilitate state and local-level collaborations with partner agencies, to build a cooperative environment for the consultant to operate. Staff will collect from the State partner agencies State-level expenditure information related to the operation of the One-Stop system, including data on expenditures that support the One-Stops in the case study and survey areas. Additionally, it will select a consultant organization that brings experience with the workforce investment system and expert knowledge of workforce programs and accounting practices, with particular expertise in activity-based cost accounting for the government sector. The State will also provide materials and instruction to the consultant on the case study model developed by the State and will work with the consultant in the selection of One-Stops that will be the focus of local study efforts. Finally, the State staff will oversee the progress and/or participate with the consultant during all phases of the contract including review and approve all reports produced.

The consultant will work closely with State staff in all aspects of the work plan, helping to refine project objectives and methods. The consultant will be responsible for planning data collection efforts and designing, developing, and testing all data collection instruments. Additionally, the consultant will work with local area One-Stop operators and their partner program managers and accountants in two to four case study areas to collect activity-based cost data following a model developed by the State; and conduct a survey of One-Stops in 10 to 20 local areas to gather cost data aggregated to broad service tiers. Finally, the consultant will provide instruction and assistance, as needed, to the local partner entities in order to collect complete and valid data and will be responsible for compiling and analyzing the data collected, and creating and presenting a report of findings to the committee.

Deliverables

The final report will consist of the following:

Summary of State-Level Expenditures Supporting the One-Stop System – Information that will categorize the direct and indirect headquarters expenses, incurred at the State level, in support of workforce investment activities at the Local Area level. The report will display these expenditures as budget line items.

Summary of One-Stop Partner Expenditures in Selected Local Areas – Information that analyzes the contributions of various partner organizations that provide services to One-Stop clients. It will describe the distribution of partner costs and staffing levels across service tiers, and discuss variations in approach among the selected Local Areas. It will also include an analysis of the use of personnel and non-personnel resources as they relate to differing levels of service.

Summary of Participants Served within Each Service Tier in Selected Local Areas – Information that will describe the number of individuals receiving each tier of service and provide some descriptive information about the characteristics of each group.

Summary of Participant Outcomes in Selected Local Areas – Information that will use existing performance measurement tools to capture workplace outcomes of individuals served by the One-Stops, including those who access only self-directed services.

Case Studies of Focus-Site LWIAs – Information that will provide an in-depth look at how the partners in these LWIAs have coordinated and integrated resources to support the workforce system. It will define the specific functions performed in the One-Stops and discuss how different resources are used to carry out these functions. It will quantify the benefits each partner receives from the activities of the One-Stops.

Summarized Findings – Information that will provide an overview of all data collected during the study and provide perspective on their implications for the State's workforce system. Additionally, it will formulate and suggest specific policy recommendations to the State Board for action and approval based on the cost study findings.

Benefits

There are a number of benefits that could be derived from conducting a cost study of the One-Stop Center System. These benefits include:

- 1) An accurate picture and understanding of the level of direct and indirect costs associated with levels of services, delivery of services, and outcomes achieved within the One-Stop Career Centers.
- 2) A cost study that is consistent with the recommendations of the California Performance Review goals which are to restructure, reorganize, and reform state government to make it more responsive to the needs of citizens and the business community, specifically in the arenas of program performance assessment and budgeting and improving services and productivity.
- 3) A joint study by State and local One-Stop partners would provide an opportunity to establish successful models of collaborations that would provide incentives for partners to participate in future collaborative projects.

- 4) The identification and development of an alternative cost allocation and resource sharing process for the One-Stop Career Center System could improve the MOUs by promoting enhanced integration, greater efficiencies and effective use of resources that translate to savings, increased partnerships and leveraging of resources, better business decisions, and improved programs and services for customers.

Data Collection Plan

- Expenditures and participant data from PY 2004-05
- Outcome data from participants exited during PY 2004-05
- Summary cost and participant data from all partners in selected LWIAs
- Line-item detail on headquarters support from State entities
- Break down by agency, funding stream, and function in focus sites

	Selected LWIAs, All Partners	DOL- Funds at State HQ Level	Focus Sites
Expenditures – Total	X	X	X
Expenditures -- Personnel, Non-personnel	X	X	X
Expenditures for Each Service Tier	X		X
Expenditures by Line Item	X	X	X
Expenditures by Specific Function and Source			X
Staffing Levels by Service Tier	X		X
Total Participants Served	X		X
Total Participants by Service Tier	X		X
Total Participants Served by Function			X

Work Plan

The tentative work plan that follows is only an overall project schedule for the expected activities and completion dates. It is anticipated that a detail work plan with specific activities will be completed by November 2005.

ACTIVITY	COMPLETION DATES
Obtain CWIB Approval	November 2005
Obtain Agency Approval of Funding	December 2005
Consult with State Partner Agencies on Support and Participation	January 2006
Identify LWIAs for Survey and Case Studies	January 2006
Complete Collection of State-Level Data	April 2006
Complete First Case Study	April 2006
Produce Summary of State-level Expenditures (all partners)	May 2006
Complete Remaining Case Studies	July 2006
Complete Survey of Partner Agencies in 10-20 LWIAs	July 2006
Produce Summary of Survey Results	August 2006
Produce Summary of Case Study Results	August 2006
Complete Final Report	October 2006
Approval by Board	November 2006

Public Comment

Other Business that May Come Before the Board